

Trinidad & Tobago Electricity Commission



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PLEASE QUOTE OUR REFERENCE ON YOUR REPLY

March 2nd, 2023

Mr Glenn Khan
Executive Director
Regulated Industries Commission (RIC)
#88 Queen Janelle Commissioning Street
PORT OF SPAIN

Dear Mr Khan

Re: Issues Raised at the Public Consultations on RIC's Draft Determination for Regulation of Electricity Transmission and Distribution Sector, 2023-2027

Reference is made to your letter dated January 31st, 2023, on the captioned matter.

Arising from our review of your correspondence the following is the Commission's response:

Damaged Appliances and Voltage issues

Specific areas of concern were:

- The lengthy response time from T&TEC after submission of damaged appliance claims.

Persons who complained about the timeframe possibly had their experiences prior to the implementation of the electronic platform which commenced with a hybrid of paper and electronic processes and subsequently transitioned to a completely digital and paperless system. The time to process claims vary from 26 to 52 calendar days depending on whether the claim is denied or settled via cheque payment, following required investigations.

- The denial of claims because the customer did not get their electrical wiring certified every 5 years.

While customers are required to recertify their electrical installation every five years, claims are not denied for this reason. While of concern to the Commission, quite often, defects in the customer's electrical installation, for example, missing or defective earthing at the customer's premises, inclusive of aged or defective electrical wiring,

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contribute to internal faults, causing damage to appliances for which claims are denied.

- Poor maintenance practice of lines and transformers leading to damaged equipment.

To maintain a safe and reliable supply to customers given its existing resources, the Commission makes every effort to inspect and maintain all its distribution infrastructure based on an annual maintenance plan. The primary aims of the plan are to reduce risk to life and limb as well as ensure the highest levels of system reliability. To this end, the Commission has in place, systems of predictive and preventative maintenance to reduce the probability of in-service failure. Hence, as a standard policy, infrared checks are completed at least once a year for each transformer connected to the grid and the record kept, and any defects observed are corrected.

- Commercial customers being told that they must pay for specific equipment upgrades (such as a larger transformer where low voltage is a regular occurrence) when the larger transformer will benefit others.

Once reported, issues of low voltage are investigated and corrected. In instances where a commercial customer experiences low voltage after having increased their load without consulting the Commission, the Commission may determine, after investigation, that there is a need for additional transformer capacity. The costing of such to the customer is kept consistent with the Capital Contribution Policy.

- Persons wanted to be informed about the historical records of T&TEC's with respect to compensation to customers for damaged appliance claims.

Payments made in the settlement of claims over the period 2018 to 2022 have averaged over \$321,000 annually.

T&TEC Act - Section 37

- Many persons were concerned that Section 37 of the T&TEC Act was being interpreted by T&TEC to the detriment of customers, owing to the definition of what constitutes a nuisance.
- Several persons felt that it was unfair that T&TEC had the right to install equipment on private property without notice, but there was no obligation on T&TEC to remove this equipment thereafter, if the property owner requests it.

The Commission generally serves the relevant notice in keeping with its Act (Section 37, 90, etc.) in the case of entry to carry out particular works. However, if the Commission, after installing its infrastructure, must remove same at the customer's request, the Commission follows the guidelines indicated in the said Act.

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- T&TEC asking customers to pay for removal of infrastructure that is hindering the enjoyment of their private property, was felt to be unfair.

The Commission is guided by the T&TEC Act when determining the application of cost for the removal/relocation of infrastructure. The Commission first conducts an analysis into the circumstances surrounding the installation of the Commission's infrastructure. Once a decision is taken to apply a cost to effect the removal/relocation of the infrastructure, the final cost is derived from actual labour and in some cases, additional materials, utilised.

- Protracted delays in resolution of these matters leading to frustration by customers.

The process for relocation of T&TEC's infrastructure requires certain requisite documents to be submitted before the request can be considered. This includes a Deed and Cadastral of the site under concern in the name of the customer making the request. Failure to acquire these documents from the customer can lead to delays to this process from the time the request is made. Additionally, some matters may be referred for legal review which may extend the timeframe.

Ms. Adina Campbell and Ms. Phyllis Bruce, both of whom are senior citizens, related the respective challenges that they encountered thus far, with respect to relocation of T&TEC's infrastructure.

Both matters have since been resolved to the customers' satisfaction.

LED Bulb initiative and Energy Conservation

Concerns were expressed regarding the effectiveness and overall impact of T&TEC's LED Bulb initiative.

- Trinidad and Tobago Association of Responsible Persons (TTARP) indicated that many of their members have faced challenges accessing these bulbs because the bills are not in their names (tenants, children of elderly parents, caretakers for relatives abroad, etc.).

All advertisements indicate the criteria for bulb collection which, inter alia, states "If the account is NOT in your name, visit any service centre with your ID, a letter of authorisation and a copy of the account holder's ID or your ID and a recent bill. This information is also available from any Customer Service Representative at the Customer Service Centres and via phone.

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- Lack of information on how customers can collect their respective bulbs.

Commencing September 2020, the Commission ran several digital/ social, radio and TV ad campaigns advising customers on the process and requirements for the collection of bulbs. This information is also available from any CSR at Service Centres and via phone.

- TTARP also asked whether other initiatives will be implemented by T&TEC to encourage energy efficiency.

The Commission will continue to educate customers on the tools currently available to assist them with Energy Conservation. Consideration will be given to initiatives on Energy Efficiency, based on dialogue with the Ministry of Public Utilities.

In addition, energy conservation education sessions will be held at various schools. Site visits are being conducted with the Government entities to determine options for energy conservation with site visits already conducted at specific locations of the Ministry of Education, Water and Sewerage Authority and UDeCOTT.

In October 2020, the Commission launched an Energy Management application within its online portal, Customer Web Access (CWA). This will assist customers in managing their electricity usage by providing them with a snapshot of their daily, bi-monthly, and annual electricity use by dollar value, kilowatt-hours (kWh) and greenhouse gas emissions (GHGs). In addition, the application provides an Energy Calculator which assumes the appliances a customer has in his/her home, based on the energy used and allows the customer to customise their list of appliances and determine the impact. The customer can also set usage goals with notifications being sent to alert the customer when the goal is being approached (50%/90% of limit) so corrective action can be taken to keep the customer on track.

A bill calculator is also being developed that will inform customers of the required reduction in energy consumption (kWh) should they wish to reduce their total bill amount and with tips for achieving same.

Also, a smart phone Energy Management application with features similar to the Energy Management module in CWA will be implemented in 2024.

Public Education

- There were suggestions that T&TEC should provide more public education on the process for utilising its online payment platform.

These suggestions are noted.

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Codes of Practice

Concerns were raised regarding the failure of T&TEC to adhere to the Codes of Practice, especially with respect to late payments and disconnections in the case of vulnerable customers.

Investigations are conducted for all customers who have indicated they are experiencing financial difficulties. Upon verification, they are granted Payment Arrangements.

Capital Contribution

The administration of the Capital Contribution system was queried, in particular, where the upfront fee was paid, and no rebate was made when other customers came onto the network.

The Commission's reimbursement practice is guided by the Capital Contribution Policy. Some customers requesting a connection which requires extension of the infrastructure are eligible to receive reimbursement of their capital contribution paid toward the job. The reimbursement, at present, remains in place for six years after the first customer pays for the job. Reimbursements are not applicable for dedicated infrastructure installed. The above system is fully adhered to by the Commission.

Electricity Theft

Concerns were expressed on the issue of commercial losses and T&TEC's efforts to minimise such problems.

Electricity verification exercises are conducted across all Distribution Areas throughout the week. The teams consist of a Meter Inspector, Linesman Crew, Estate Police and occasionally the National Police. The electricity verification exercise presents a greater challenge due to the multitude of crime hotspots. The unavailability of the National Police hampers, at times, the Commission's ability to treat with current stealing matters.

Reclassification of Accounts

Commercial customers raised the issue of existing residential customers using residential property to conduct business. The representatives questioned whether T&TEC would reclassify those customers to ensure that the right tariffs are imposed.

The Commission upon investigation, will effect the necessary changes to all customers' accounts to ensure that, based on the nature of their business, they are classified in the correct tariff class.

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Efficiency and Service Levels

Several persons posed questions regarding T&TEC's efficiency and service levels. These included:

- QSS and Performance Indicators are not the only measure of service quality. T&TEC has several 'archaic' policies that are to customers' detriment, such as damaged appliance, installation of their infrastructure on private properties and capital contribution.

The concerns pertaining to the damaged appliance claims and installation of T&TEC's infrastructure on private properties were responded to in sections "Damaged Appliances and Voltage issues" and "T&TEC Act - Section 37" above. Also, as the RIC has stated in the public consultations, the Capital Contribution policy for T&TEC was revised in October 2022. T&TEC will publish the revised policy on its website.

- T&TEC's employee per customer ratio is high in comparison to other operators in the region. This suggests that customers are paying for T&TEC's inefficiency; and

T&TEC has completed a manpower audit and at present, our staffing levels are in keeping with this audit and our customer to employee ratio is comparable with other utilities world-wide.

- There is electricity wastage at many recreation grounds at night; customers are paying for this inefficiency.

Routine checks of the recreation grounds are performed, and any anomalies found are addressed, including defective timers. Also, as stated in T&TEC's Business Plan for 2022 - 2026, T&TEC is embarking on a project over this period which will afford its personnel the ability to remotely monitor and control recreation ground lights and thus reduce energy wastage, operational and maintenance costs.

Reserve Capacity

Concerns were raised by Commercial customers about T&TEC's inflexibility with respect to payment for Reserve Capacity during the COVID-19 pandemic lockdown measures. The Tobago House of Assembly (THA) also flagged this matter, as they indicated the burden fell on the THA to assist hotels with these payments to T&TEC, despite the hotels not being able to operate.

After the onset of the Covid-19 pandemic, customers whose billings included reserve capacity charges and who were unable to make payments were offered highly flexible, interest-free payment arrangements. These included businesses with a minimum bill based on the Reserve Capacity as per the requirements of the RIC's Approved Characteristic of Service document. These measures to recover the minimum bill were instituted to recover CAPEX. It should be noted that the Commission has "take or pay" agreements with the various Independent Power Producers (IPPs). In an effort to consider the waiver of reserve capacity cost, the

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Commission made written requests to the various IPPs for a reduction in their conversion cost to be applied during the Covid-19 period. All IPPs declined this request. Arising from this, other than allowing longer payment arrangements, no other concession could be provided to the customers.

General

- T&TEC should meet with its customers before submitting a Business Plan, so that the improvements that customers need could be included. A town meeting would be useful.

This is noted and will be given consideration.

- Concerns were raised by members of the public and commercial customers about T&TEC's large receivables from Government and many were of the view that T&TEC's practices were unfair since one rule was being applied to private customers who do not pay their bills (disconnection for non-payment) and another rule is applied to Government agencies;

T&TEC's debt to the NGC was approximately \$4.06B for the period January 2019 to December 2022. This debt far exceeds the debt to T&TEC from other Government accounts, which stood at \$1.46B as at December 31st, 2022. In fact, the net debt to NGC (Debt to NGC less Government debt to T&TEC) grows annually by roughly \$800M. T&TEC is further constrained due to the essential and social services (hospital, schools, water, recreation grounds) provided to the public by the Government entities such as, but not limited to, WASA, Ministry of Health, Ministry of Education, and the Ministry of Public Utilities. There are grave social implications should their supply be disconnected. Notwithstanding the above, T&TEC continuously engages the top Government debtors to settle their debt. The Commission is also working with them to suggest energy conservation measures to reduce the amount of new bills and thus reduce the growth of their debt, and the natural gas required to power these entities.

- Several questions were raised regarding T&TEC's plan for improving maintenance in rural areas of the country.

The Commission aggressively pursues various methods to improve reliability in rural areas and has established maintenance and development strategies which guide the execution of works in different areas, whether they are urban, sub-urban or rural.

In rural areas these works have included:

- Upgrade of substation equipment and infrastructure supplying rural areas e.g., Sangre Grande, Santa Flora, Rampanalagas and Felicity.
- Expansion and development of the 12 kV network within rural areas.
- Installation of overhead wildlife protection measures to mitigate animal-related faults. This includes 12 kV line hoses and covers to insulate lines and taller pin insulators and pins to increase the clearance of live conductors off the pole and fittings.

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- Installation of partially insulated conductors which commenced in 2022, with the installation of 46 km to reduce faults in rural areas due to vegetation contact. The Commission will also be installing just over 100 km of such conductors in 2023, within rural areas prone to vegetation contact.
- Continued deployment of Smart Grid devices for greater discrimination in fault detection and reduction of customer minutes out due to faults.

New initiatives incorporated into the strategy include:

- An improved inspection regime which will prioritise areas prone to vegetation for more frequent inspection.
 - Geo-spatial mapping of line defects to aid in identifying areas requiring increased attention
- Many persons felt that T&TEC needed to improve its public education campaign on areas that are of benefit to customers, including energy conservation and efficiency practices.

In addition to in-person public education sessions, the Commission has utilised television, radio, digital and native advertising to provide the public with information on its Energy Management Application and its featured tools for energy conservation and management of consumption. Additionally, for the first year of the bulb distribution programme, each box of LED bulbs distributed to customers included a QR code that, once scanned by the customer, took them to the Commission's page with comprehensive information on energy efficiency and conservation.

- A suggestion was made for T&TEC to consider diversifying its portfolio to include solar panel installations and provide after sales service and maintenance.

T&TEC is already exploring this opportunity and engaging the government on the necessary legislative changes required to implement same. These changes include amendments to the T&TEC Act and implementation of the Feed-In Tariff Policy to allow customers to interconnect their Photo Voltaic (PV) Solar Systems to T&TEC's grid and sell electricity generated from the PV System. Such an exercise will also involve several stakeholder engagements to solicit feedback.

The T&TEC will continue to support RIC's efforts as it rolls out its remaining consultation meetings.

Yours sincerely

TRINIDAD AND TOBAGO ELECTRICITY COMMISSION



Kelvin Ramsook

GENERAL MANAGER